

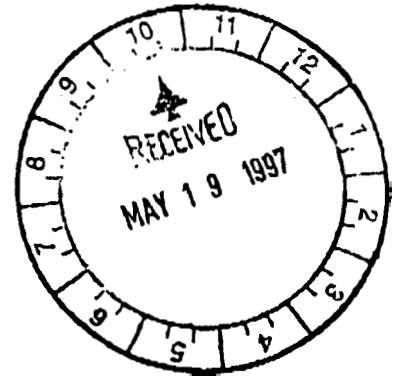


DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

The Administrator
Washington, D.C. 20201

MAY 13 1997



Mr. Duke Rodriguez
Secretary
New Mexico ~~Human~~ Services Department
P. O. ~~Box~~ 2348
Santa Fe, New Mexico 87504-2348

Dear Mr. Rodriguez:

We are pleased to inform you that your application entitled "Expansion of Family **Planning** Services, New Mexico Medicaid" has been approved as project No. 11W00111/6 for a 5-year period beginning August 1, 1997, **through** July 31, 2002, subject to annual renewal. The approval **is** under the authority of section 1115 of the Social Security Act (the **Act**).

The approval is for a waiver-only demonstration. Enclosed are the special terms **and** conditions that define the nature, character, **and** extent of anticipated Federal involvement in the project. Please note that condition 2 **requires** a more detailed and specific evaluation plan 60 days before implementation of the demonstration. The award is subject to our receiving your written acceptance of the award **within** 30 days of the date of this letter.

Under authority of section 1115(a)(2) of the **Act**, the following expenditures (which would otherwise not be regarded as expenditures under section 1903(f)(2)) will, **for** a 5-year period beginning March 1, 1996, be regarded as expenditures under the state's Title XIX **plan**:

- Expenditures to permit the state to extend Medicaid eligibility for family planning services in 2-year intervals to all women with incomes at or below 185 percent of the Federal **poverty** level.

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Your project officer is Rosemarie Hakim, Ph.D. Dr ~~Hakim~~ can be reached at (410)786-6698. She ~~is~~ available ~~to answer any~~ questions concerning the scope ~~and~~ implementation of the project described in your **application**. You should submit communications regarding program matters to the project officer at the **following** address:

Office of Research ~~and~~ Demonstrations
Health Care Financing Administration
C3-24-07
7500 Security Boulevard
Baltimore, Maryland 21244-1850
Phone: 410-786-6698
Fax: 410-786-6698
E-mail: rhakim@hcfa.gov

We extend ~~our~~ congratulations on ~~this~~ award and **look** forward to working ~~with~~ you during the project.

Sincerely,



Bruce C. Vladeck
Administrator

Enclosure

**Health Care Financing Administration
Special ~~Terms~~ and Conditions**

NUMBER: 11 - W - 00111 / 6

TITLE: "Expansion of Medicaid **Family** Planning Services for Women of Childbearing **Age** in the State of New Mexico"

AWARDEE. New Mexico Human Services Department

1. a. All requirements of the Medicaid **program** expressed in law not expressly waived or identified as not applicable in the award letter of which these terms and conditions are parts. **will** apply to New Mexico Expansion of Family **Planning** Services (NMEFPS). To the extent the enforcement of such laws, regulations, and policy statements would have affected State spending without the demonstration in ways not explicitly anticipated in this agreement, **HCFA** will incorporate such effects into a modified budget limit for the **NMEFPS** 1115 program. **The** modified budget limit would be effective upon enforcement of the law, regulation, or policy statement. **HCFA** will have **2** years after the determination of the demonstration award date to notify the State that it intends to **take** action. If the law, regulation, or policy statement cannot be linked specifically with program components that are or are not affected by the NMEFPS 1115 demonstration (e.g., all disallowances involving provider taxes or donations), the effect of enforcement on the state's budget limit will be proportional to the size of the NMEFPS 1115 demonstration in comparison to the state's entire Medicaid program (as measured in aggregate medical assistance payments).
- b. The State will, within the time specified in **law**, come into compliance with **any** changes in Federal law affecting the Medicaid program that occur after the award date of the demonstration. To the extent that a change in Federal law, which does not exempt state section 1115 demonstrations would affect state Medicaid spending without the demonstration, **HCFA** will incorporate such changes into a modified budget limit for the NMEFPS 1115 demonstration. **The** modified budget limit will be effective upon implementation of the change in Federal law, as specified in law. If the new law cannot be **linked** specifically with program components that are or are not affected by the **NMEFPS** 1115 demonstration (e.g., laws affecting sources of Medicaid funding), the state **will** submit its methodology to **HCFA** for complying with the change in law. If the methodology is consistent **with** Federal law and in accordance with Federal projections of the budgetary effects of the new law in New Mexico, **HCFA** would approve the methodology. Should **HCFA** and the state, working in good faith to ensure state flexibility, fail to develop within 180 days a methodology to revise the demonstration baseline that is consistent with Federal law and in accordance with Federal budgetary projections,

a reduction ~~in~~ Federal payments will be made according to the method applied in non-demonstration states.

- c. The state may submit to **HCFA** a request for an amendment to the **NMEFPS** demonstration to request exemption from changes in law occurring after the award date of the demonstration. The cost to the Federal Government of such an amendment must be offset to ensure that total projected expenditures under a modified **NMEFPS 1115** demonstration program do not exceed projected expenditures without the **NMEFPS 1115** demonstration (assuming full compliance with the change in law).
2. The State shall prepare one protocol document that represents and provides a single source for the policy and operating procedures applicable to this demonstration that are agreed to by the state and HCFA during the course of the waiver negotiation and **approval** process. The protocol must be submitted to **HCFA** no later than 60 days prior to the implementation date of the program. **HCFA** will respond within 30 days of receipt of the protocol regarding any issues or areas it believes require clarification. During the demonstration, subsequent changes to the protocol that are the result of major changes in policy or operating procedures should be submitted no later than 90 days prior to the date of implementation of the change(s) for approval by **HCFA**. The Special Terms and Conditions and Attachments include requirements that should be included in the protocol. Attachment A is ~~an~~ outline of areas that should be included in the protocol.
3. The awardee will cooperate fully with **HCFA** or the independent evaluator, selected by **HCFA**, to assess the impact of the Medicaid demonstrations. The awardee will submit the required data to the contractor or **HCFA**.
4. The state will submit a continuation application by July 1 of each year
5. The awardee will submit narrative progress reports 30 days from the end of each quarter. The first quarterly progress report is due November 30, 1997. The fourth quarterly report will summarize the preceding year's activity and serve as the **annual** report. It will contain updated budget neutrality information as specified in Attachment B.
6. New Mexico should submit a draft **final** report to the **HCFA** project officer for comments. The awardee should consider **HCFA'S** comments for incorporation into the final report. The awardee should use HCFA's, Office of Research and Demonstrations' Author's Guidelines: Grants and Contracts Final Reports (copy attached) in the preparation of the final report. The final report is due 90 days after the end of the project.
7. The HCFA project officer or designee will be available for technical consultation at the convenience of the awardee within 5 working days of telephone calls and within 10 working days on progress reports and other written documents submitted, such as the analysis plan.

8. HCFA may suspend or end any project in whole, or in part, anytime before the date of expiration, whenever it determines the awardee has materially failed to comply with the terms of the project. HCFA will promptly notify the awardee in writing of the determination and the reasons for the suspension or termination, with the effective date. The budget neutrality test and cost overruns as specified in Attachment B will be applied on the time period through termination without adjustment.
9. New Mexico will assume responsibility for the accuracy and completeness of the information contained in all technical documents and reports submitted. The HCFA project officer will not direct the interpretation of the data in preparing these documents and reports.
10. New Mexico will develop and submit detailed plans to protect the confidentiality of all project-related information that identifies individuals within 60 days of the demonstration's implementation. The plan ~~must~~ specify that such information is confidential and it may not be disclosed directly or indirectly except for purposes directly connected with the conduct of the project. The informed written consent of the individual ~~must~~ be obtained for any disclosure.
11. New Mexico will notify the HCFA project officer before formal presentation of any report or statistical or analytical material based on information obtained through this cooperative agreement. Formal presentation includes papers, articles, professional publications, speeches, and testimony. During this research, whenever the principal investigator determines that a significant new finding has been developed, he/she will immediately communicate the information to the HCFA project officer before formal dissemination to the general public.

The final report of the project may not be released or published without permission from the HCFA project officer within the first 4 months following receipt of the report by the HCFA project officer. The final report will contain a disclaimer that the opinions expressed are those of the awardee and do not necessarily reflect the opinions of HCFA.

12. Certain key personnel, as designated by the HCFA project officer, are considered essential to the work being performed on specific activities. Before altering the levels of effort of any of the key personnel among the various activities for this project, or to diverting those individuals to other projects outside the scope of this award, the awardee will notify the HCFA project officer in advance and will submit justification (including name and resume of proposed substitution) in sufficient detail to permit evaluation of the impact of the substitution on the project. No alteration or diversion of the levels of effort of the designated key personnel from the specified activities for this project will be made by the awardee without the approval of the HCFA project officer.
13. At any phase of the project, including at the project's conclusion, the awardee, if so requested by the project officer, ~~must~~ submit to HCFA an analytic data file(s), with

appropriate documentation, representing the data developed/used in end-product analyses generated under the award. The analytic file(s) may include **primary** data collected or generated under the award and/or data furnished by **HCFA**. The content, format, documentation, and schedule for production of the data file(s) **will** be agreed upon by the principal investigator and the **HCFA** project officer. The negotiated format(s) could include both file(s) that would be limited to **HCFA** internal use and file(s) that **HCFA** could **make** available to the general public.

14. At any phase of the project, including at **the** project's conclusion, the awardee, if so requested by the project officer, must deliver any materials, **systems**, or other items developed, refined or enhanced during or under the award to **HCFA**. The awardee agrees that **HCFA** will have royalty-free, nonexclusive and irrevocable **rights** to reproduce, publish or otherwise use and authorize others to use **the** items for Federal Government purposes.
15. HCFA reserves the right to unilaterally terminate the demonstration and the accompanying Federal matching authority if it determines that continuing the demonstrations would **no** longer be in the public interest. If a family planning demonstration is terminated **by HCFA**, the state will be liable for cumulative costs under the demonstration that are in excess of the cumulative expenditures and cost overrun targets specified in Attachment B for the demonstration year of withdrawal.
16.
 - a. To track expenditures under **this** demonstration, **New Mexico** will report **net** expenditures in the same manner done under the current Medicaid program. The state will provide quarterly expenditure reports using the form **HCFA-64** to separately report expenditures for those receiving services under the Medicaid program and those participating in the NMEFF Medicaid demonstration under section 11 15 authority. **HCFA will** provide Federal Financial Participation (FFP) only for allowable demonstration expenditures that do not exceed the predefined limits as specified in Attachment B. Demonstration participants include all individuals whose service expenditures are subject to the demonstration cap.
 - b. **New Mexico will** report demonstration expenditures through the Medicaid Bureau Expenditure Survey, following routine HCFA-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM). In this regard, demonstration expenditures **will** be differentiated from other Medicaid expenditures by identifying on forms HCFA-64.9 and/or 64.9p, with the demonstration project number assigned by **HCFA** (including the project number extension indicating the demonstration year that services were rendered). For monitoring purposes, cost settlements must be recorded on Line 10.b, in lieu of Lines **9** or **10.C**. For cost settlements not attributable to this demonstration, the adjustments should be reported on lines 9 or 10.c, **as** instructed in the SMM. The reporting procedure outlined above must be approved by HCFA as part of the protocol.

- c. All claims for the NMEFPS Demonstration services provided during the demonstration period (including any cost settlements) must be made within **2** years after the calendar quarter in which the state made the expenditures. **During** the period following the conclusion or termination of the demonstration, the state must continue to separately identify demonstration expenditures using the procedures addressed above. The procedure related to under **this** reporting process **must** be approved **by HCFA as** part of the protocol referenced in Item **2** of the Special Terms and **Conditions**.
 - d. Besides the **form HCFA-64**, the state will provide to **HCFA** the number of eligible member months for demonstration participants. **This** information should be provided to **HCFA** 30 days after the end of each **quarter**.
17. The standard Medicaid funding process will be used during the demonstration. The state must estimate matchable New Mexico Medicaid demonstration expenditures on the quarterly form **HCFA-37**. The state **must** provide supplemental schedules that clearly distinguish between demonstration expenditure estimates (by major component) **and** non-demonstration Medicaid expenditure estimates. **HCFA** will make Federal funds available each **quarter** based upon the state's estimates, **as** approved by **HCFA**. Within 30 days after the end of each **quarter**, the state must submit the form **HCFA-64** quarterly Medicaid expenditure report, **showing** Medicaid expenditures made in the previous **quarter**. **HCFA** will reconcile expenditures reported on the Form HCFA-64 with Federal funding previously made available to the state for that quarter, and include the reconciling adjustment in a **separate** grant award to the state.
18. **HCFA** will provide (FFP) at the applicable Federal matching rate for **the** following, subject to the limits described in Attachment B:
- a. Administrative costs associated with the administration NMEFPS Demonstration.
 - b. Net expenditures and prior period adjustments of the Medicaid program that are paid in accordance **with** the approved state plan. **HCFA** will provide FFP for medical assistance payments with dates of service before and during the operation of the section 1115 demonstration,
 - c. The state **will** certify state/local monies used as matching funds for demonstration purposes and **will** further certify such funds will not be used as matching funds for any other Federal grant or contract, except as permitted by Federal **law**.
19. Within 30 days of the award, the state will **submit** a plan, developed in consultation with the Indian Health Programs, consisting of Indian Health Service and tribally-operated programs, for implementation of the expanded family planning services for eligible **Indian** women. The state shall submit on an annual basis, program enrollment data for this population, and will make this data available to the Indian Health Programs upon request:

20. **Failure** to operate the demonstration **as** approved and according to Federal **and** State statutes and regulations **will** result in the withdrawal of waivers. The Federal statutes and regulations with which the **State must** comply in the operation **of the** demonstration include civil rights statutes and regulations that prohibit discrimination on the **bais** of race, color, national origin, disability, sex, age, **and** religion, including Title VI of the Civil **Rights** Act of 1964, section **504** of the Rehabilitation Act of 1973, **the Age** Discrimination **Act** of 1975, Title II of the Americans **with** Disabilities Act, and the nondiscrimination provisions of the **Omnibus** Budget Reconciliation **Act** of 1980.
21. FFP at the 90 percent enhanced family planning match will be available in accordance with **HCFA** policy. *See* the "Revised Financial **Management Review Guide** for Family **Planning** Services" in Attachment C for description of **Family** Planning Services available at the 90 percent match"